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UNCLAS SECTION 01 OF 03 ADDIS ABABA 000245

SENSITIVE
SIPDIS

DEPARTMENT FOR EEB/IFD/OMA - JWINKLER AND EEB/CBA -
DWINSTEAD
USAID FOR AFR/EA HELLYER AND DALTON
DEPT PASS TO USTR FOR PATRICK COLEMAN, CECILIA KLEIN, AND
BARBARA
GRYNIEWWICZ
DEPT OF COMMERCE WASHDC FOR ITA MARIA RIVERO
DEPT OF TREASURY WASHDC FOR REBECCA KLEIN

E.O. 12958: N/A
TAGS: ETRD EINV ECON PGOV AF ET
SUBJECT: UNDER SECRETARY OTERO'S MEETING WITH WOMEN
ENTREPRENEURS - FEBRUARY 1, 2010

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SENSITIVE BUT UNCLASSIFIED. NOT FOR INTERNET DISTRIBUTION.

11. (SBU) February 1, 2010; 6:30 pm; Chief of Mission
Residence, Addis Ababa, Ethiopia.

12. (SBU) Participants:

United States

U/S for Democracy and Global Affairs Maria Otero
Charge d'Affaires John Yates
Special Assistant to U/S Otero Caroline Mauldin
Special Advisor to U/S Otero Nicole Goldin
Kary Hintz-Tate (notetaker)

Ethiopia

Nigest Haile, Executive Director, Centre for African Women
Economic Empowerment
Hikmet Abdella, Country Manager, Association for Chartered
Certified Accountants
Martha Getachew, General Manager, ABBA Garment Design PLC
Samrawit Moges, Managing Director, Travel Ethiopia
Sara Abera, General Manager, Muya Ethiopia PLC
Genet Kebede, Owner, Paradise Fashion and GMM Garment
Hadia Gondji, Managing Director, Hadia Flowers PLC
Bogaletch Gebre, Executive Director, KMG Women's Self-Help
Center Ethiopia

Summary

13. (SBU) U/S Otero met with eight members of the Embassy's
Women's Entrepreneur Group (WEG) to discuss the challenges
faced by women in business in Ethiopia. The WEG members
highlighted lack of access to finance and unsophisticated

banking knowledge as the major challenges facing women today.

The participants explained the plans for their newly-established commercial bank--Enat Bank--focused on assisting women with these highlighted challenges. Finally, the discussion turned to how these women are serving as role models by sharing their knowledge with others. In 2006, former Charge d'Affaires Vicki Huddleston started the WEG as an informal group of those interested in promoting women in business in Ethiopia. The group currently has about 130 members. End Summary.

Access to Finance A Major Challenge

¶4. (SBU) U/S Otero met with eight members of the Embassy's Women's Entrepreneur Group (WEG) to discuss the challenges faced by women in business in Ethiopia. U/S Otero opened the informal discussion detailing her experience working with women and micro finance and asked the group what were the major challenges they faced in starting their businesses. Ms. Abera cited access to finance as a significant obstacle, as women lack assets in their name to serve as loan collateral. Most assets are usually listed in the husband's name. Abera applauded USAID's Development Credit Authority program which provides 50 percent of the collateral for local women in business; however, all agreed that it is even difficult for women to come up with the remaining 50 percent in collateral. Ms. Abdella pointed out that Ethiopia's private sector is relatively young and small, so it is even more difficult for women to gain entry into this undeveloped and limited business arena. Ms. Gebre added that low skill levels and lack of banking knowledge disadvantaged women in business.

¶5. (SBU) The discussion then turned to how women are working

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to improve their access to finance and the recently licensed women-focused bank called Enat Bank (Note: Enat means "mother" in the local language of Amharic. End Note.). U/S Otero inquired about how they have gone about starting a private women's bank in Ethiopia. Ms. Haile, one of the 13 promoters of Enat Bank, stated that they just licensed the bank with the National Bank of Ethiopia in January 2010 and are in the process of selling shares to investors through two local branches. The bank is selling shares at a five percent premium to cover the start-up operational costs and does not plan to begin banking operations until 2011. Enat Bank plans to operate as a commercial bank with a focus on capacity building for women who seek assistance with business plans, loan paperwork, etc. U/S Otero cited the need for experts to assist with such an undertaking, with a specific focus on market research to determine the best product mix and design so that loans have a low default risk. U/S Otero noted the importance of planning for sustainable, break-even operations within three years. She went on to say that someone, such as the World Bank/International Finance Corporation, could cover the risk initially. Abdella added that product innovation is something that does not exist in Ethiopia today, but should be pursued. (Comment: U/S Otero remarked to Econoff privately after this discussion that this new bank faces a tough road ahead and would greatly benefit from an outside technical expert that could help them avert failure. Econoff will continue discussions with U/S Otero's office to determine what resources could be explored to assist in this effort. End Comment.)

Women as Role Models

¶6. (SBU) As the final topic of discussion, U/S Otero asked how these women see themselves as leaders in this economy. Ms. Kebede discussed the growth of her fashion design business and said that she now employs about 70 young women who are learning the design trade. Ms. Getachew spoke of her work with the group Aid to Artisans, which is working to

develop the product design and production capabilities of rural women. Getachew's efforts are focused on rural women supplying goods to their respective nearby tourist areas. Ms. Moges, owner of a travel agency, then spoke of her work to boost the overall image of Ethiopia abroad to assist with tourism and the economy as a whole. She said that Ethiopia has a lot to offer in terms of history and natural beauty, but suffers from poor infrastructure, lack of luxury facilities, and public image. U/S Otero wrapped up the discussion thanking the participants for sharing their candid opinions on the challenges facing women in business in Ethiopia and encouraged them to continue to seek advice in overcoming these barriers.

Background

¶ 17. (SBU) In 2006, previous Charge d'Affaires Vicki Huddleston started the Women's Entrepreneur Group (WEG) as an informal group of those interested in promoting women in business. Ambassador Huddleston and later Ambassador Donald Yamamoto remained active with this group throughout their tenures in Ethiopia. Currently, the WEG has about 130 members. Due to the re-registrations of existing organizations under Ethiopia's new Civil Society Organization (CSO) law, the WEG has been unable to officially register itself as a new organization. The Ethiopian Government will hopefully allow new organizations to register in the coming months. Once allowed, the WEG plans to formalize itself as the Addis Ababa chapter of the international group Organization of Women in International Trade (OWIT).

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¶ 18. (U) U/S Otero cleared this cable.
YATES